

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

4

DECISION

TOPIC

Contract - Scrap Tire Market Development Program – Recommendations

The Department received 6 proposals, requesting \$988,750 in financial assistance, for consideration in response to a February issued request for proposals through the Scrap Tire Market Development Program. Five (5) projects were selected for funding. If approved they will receive \$404,750 in a combination of forgivable loans, zero interest loans and three-percent (3%) loans.

The review committee consisted of five persons representing the Energy and Waste Management Bureau (Jennifer Reutzel & Jeff Geerts), Iowa Society of Solid Waste Operations (Scott Smith), Iowa Recycling Association (Jeff Rose), and the Department of Economic Development (Allen Williams).

The table below summarizes recommendations by applicant and project type and by the type of award.

Applicant Type	# Awards	Award Amount	Forgivable Loan Portion	0% Loan Portion	3% Loan Portion
Government	1	\$33,750	\$20,000	\$13,750	
Private For Profit	4	\$371,000	\$60,000	\$20,000	\$291,000
Total	5	\$404,750	\$80,000	\$33,750	\$291,000

At this time, the Department is requesting Commission approval to enter into contracts with selected applicants whose awards will be in excess of \$25,000 subject to satisfactory review of additional requested information, review of business plans, negotiation of budget, match, deliverables, and other requested information.

A description of each recommended project, the project type, the amount and type of funding assistance is attached followed by a description of other proposals received but not recommended for funding.

Wayne Gieselman
Division Administrator
Environmental Services Division

Attachment

a) Application descriptions

May 1, 2006

SCRAP TIRE MARKET DEVELOPMENT PROGRAM

PROPOSAL RECOMMENDATIONS – MAY 2006

The Department received 6 proposals, requesting \$988,750 in financial assistance, for consideration in response to a February issued request for proposals. Five (5) projects were selected for funding. If approved they will receive \$404,750 in a combination of forgivable loans, zero interest loans and three-percent (3%) loans.

The following provides a description of each project, the project type, and the amount and type of funding assistance. The descriptions are organized as projects above \$25,000, those \$25,000 and below, and proposals received but not selected.

PROPOSAL RECOMMENDATIONS: ABOVE \$25,000

BEST PRACTICES PROJECTS:

Fisher Tracks	Forgivable Loan:	\$20,000
1192 235th St	3% Interest Loan	<u>\$35,000</u>
Boone, IA 50036	Total Award Amount:	\$55,000

Cash Match:	\$55,740
In-Kind Match:	<u>\$0</u>
Local Match:	\$55,740

Total Project Cost:	\$110,740
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Project Title:	Track Installation Equipment Using Granulated Scrap Tires
Contact:	Sam Fisher Phone: 515-432-3191 ext 21
Project Type:	Market Development
Applicant:	Private-For-Profit
Description:	Applicant proposes to purchase an additional set of polyurethane and rubber installation equipment. The additional equipment will allow the estimated use of an additional 1.8 million pounds of ground rubber per year produced in Iowa by Greenman Technologies of Iowa.

Muscatine Power & Water
3205 Cedar St
Muscatine IA 52761

Forgivable Loan: **\$20,000**
Zero Interest Loan: **\$13,750**
Total Award Amount: **\$33,750**

Cash Match: **\$33,750**
In-Kind Match: **\$0**
Local Match: **\$33,750**

Total Project Cost: **\$67,500**

Project Title: **Renewable Energy Project**

Contact: Mark Costello Phone: 563-262-3503

Project Type: Market Development

Applicant: Local Government

Description: The applicant proposes to design and install a conveying system to allow the burning of tire-derived fuel (TDF) in two of the applicant's boiler units. The conveying system will include a bunkered storage area and conveyors to transport the tire-derived fuel onto an existing coal conveyor. Carbon Monoxide monitors would be added to the boiler flue to monitor and improve combustion of the blended fuel. Initial project objectives are to burn up to 2% tire-derived fuel, equivalent to diversion of 40,000 tires/year. The TDF will be supplied by Tire Environmental Services of Muscatine.

Project Benefits:

Recover the benefit of the energy embodied in scrap tires
Environmentally acceptable solution to waste tire disposal
Enhance the existing fuel input with the higher heating value of TDF
Reduced transportation of TDF due to close location of TDF supplier

Welch Products
205 S Garfield
Carlisle, IA 50047

Forgivable Loan: **\$20,000**
3% Interest Loan **\$36,000**
Total Award Amount: **\$56,000**

Cash Match: **\$56,000**
In-Kind Match: **\$0**
Local Match: **\$56,000**

Total Project Cost: **\$112,000**

Project Title: **Pre-Press, Mold Washer and New Lids**

Contact: Guy Varble Phone: 515-989-0829

Project Type: Market Development

Applicant: Private-For-Profit

Description: The applicant proposes to purchase replacement and additional equipment that will allow an increase in the production of the company's playground safety tiles and other recycled rubber tile products. The

project will use ground rubber from the equivalent of 50,000 to 150,000 additional tires in 2006 and an additional 150,000 to 450,000 tires in 2007. The ground rubber will be purchased from Greenman Technologies of Iowa in Des Moines.

PROPOSAL RECOMMENDATIONS: \$25,000 AND BELOW

Energis LLC
6211 N Ann Arbor Rd
Dundee, MI 48131

Forgivable Loan: \$20,000
3% Interest Loan \$0
Total Award Amount: \$20,000

Cash Match: \$148,648
In-Kind Match: \$0
Local Match: \$148,648

Total Project Cost: \$168,648

Project Title: **Engineering for Whole Tire Injection System**
Contact: Glen Rosenhamer Phone: 641-421-3313
Project Type: Market Development
Applicant: Private-For-Profit
Description: The applicant is requesting financial assistance to perform detailed engineering to install a whole tire injection system at the Holcim cement plant in Mason City. The completed mid-kiln injection system will allow Holcim to use an estimated 20,000 tons or 2 million tires per year. The applicant also states the project will provide thermal relief on the burning zone brick and extend the kiln refractory life. In similar operations at other locations, this thermal shift has proven to lower burning zone temperatures and lower sulfur dioxide emissions. The total cost of equipment and installation of the whole tire injection system is estimated at \$3.5-\$4 million.

Quway, LLC
33199 Fairmount Blvd
Pepper Pike, OH 44124

Forgivable Loan: \$20,000
3% Interest Loan \$220,000
Total Award Amount: \$240,000

Cash Match: \$2,055,000
In-Kind Match: \$235,000
Local Match: \$2,290,000

Total Project Cost: \$2,530,000

Project Title: **Devulcanize Rubber Manufacture from Used Truck & Off-Road Tires**
Contact: Chandra Pillai and Hari Phone: 440-461-3375
 Chandra
Project Type: Market Development
Applicant: For-Profit
Description: The applicant is requesting financial assistance to set up a devulcanized tire rubber manufacturing operation that uses rubber recovered from used tires as feed stock. The devulcanization process allows rubber previously vulcanized in the tire manufacturing processing to be used again in making new tires. The applicant proposes to devulcanize 500,000 pounds per month of ground rubber initially. The applicant has a market for 1.5 million pounds per month of ground rubber for use in the manufacture of new tires. The applicant's main devulcanized rubber market Is located in Iowa.

PROPOSALS RECEIVED, NOT RECOMMENDED

Rubber Manufacturers Assoc.	Forgivable Loan:	\$19,000
1400 K Street, NW	3% Interest Loan	<u>\$0</u>
Washington, DC 20005	Total Award Amount:	\$19,000

Cash Match:	\$0
In-Kind Match:	<u>\$0</u>
Local Match:	\$0

Total Project Cost: \$0

Project Title: **Scrap Tire-Derived Fuel (TDF) Workshop**
Contact: Michael Blumenthal Phone: 202-682-4882
Project Type: Market Research or Workshop
Applicant: Not-For-Profit
Description: The applicant is RMA is proposing to develop and manage a one-day workshop one the use of tire-derived fuel (TDF) in Iowa. Suggested topics for the TDF workshop can include, but are not limited to:

- History of Tire-Derived Fuel (TDF)
- Facilities Using TDF
- Tire Derived Fuel Analysis - General Description
- Handling Considerations Conveying, Grate, and Ash

- Combustion Technology
- Air Emission Issues
- Sampling and Analysis
- Fuel Analysis
- Considerations When Working with the Public
- Conclusions
- Questions & Answers

Expected Outcomes

A better understanding of the TDF market dynamics for the current and potential TDF users

A better understanding of the interaction between industry and the public

A better understanding of any barriers or obstacles should be addressed